

FISCAL NOTE

SB 2374 - HB 2815

February 5, 2004

SUMMARY OF BILL:

- Establishes the compensation for the sheriff, assessor and any other elected official to be at least 10% less than the salary paid to the county mayor of the county effective July 1, 2005 and provides for other various changes in local officials' salaries;
- Establishes the Governor's salary at 20% above the highest paid county mayor, effective January 2007 and revised every four years thereafter;
- Sets the State Comptroller, State Treasurer and Secretary of State salaries at 5% below the governor's salary effective July 1, 2007;
- Sets the salary for state legislators at \$30,000 per year, effective July 1, 2005;
- Provides that the compensation of these officials will be adjusted annually in accordance with percent changes in the Consumer Price Index.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$2,698,000 First Full Year as Shown Below:

Governor - \$112,000 Annually Beginning in 2007

Constitutional Officers - \$141,000 Annually July 1, 2007

Former Governor & Widows - \$224,000 Annually Beginning in 2007

Legislators - \$2,221,000 Annually Beginning in 2005

Increase Local Govt. Expenditures - Exceeds \$100,000*

Estimate assumes:

- Salary of the Governor will be established at \$180,000 beginning in 2007 or 20% higher than the highest paid mayor at the present time which is \$150,000 (cost of salary and benefits - \$112,000)
- Salary and benefit costs for three constitutional officers of \$141,000 beginning on July 1, 2007. The annual salary will be \$171,000 for each.
- Three former governors and two surviving widows would receive an increase in salary since their pension benefits are based on the current governor's salary.
- Salary and benefit costs for legislators of \$2,221,000 beginning in 2005.
- Increase in local government salaries will depend on various decisions made at the local level.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

